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Mr. Chairman

I appreciate your giving me a few minutes of your time during these busy days to introduce a proposal of importance to the Agency's retirement system.

As you know, in 1964 this Committee approved a separate retirement system for those employees of CIA whose careers have been in those functions unique to CIA. These employees represent about one fourth of our personnel strength; the remaining three fourths are covered by the Civil Service Retirement System.

Over the years since 1964 legislation enacted for the Civil Service System ^{has} did not automatically benefit the CIA System. In those instances we have been privileged to have had this Committee approve legislation that secured the same benefits for the CIA System. You may recall, for example, the separate legislation that gave our system the cost-of-living benefit in order that our retirees could keep pace with Civil Service on this important feature. Again, in late 1969, this Committee approved legislation to invest our system with the benefits of the McGee/Daniels Bill.

The proposal ^{before you} ~~I am~~ introducing today is, I believe, needed to secure another benefit that has just recently been enacted for Civil Service (PL 93-136) and which will promote more efficient administration of actual retirements at a time when cost-of-living increases become effective.

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PL 93-136 liberalized eligibility for cost-of-living increases by ensuring that an employee who retired after the effective date of such an increase would receive no less annuity than if he had retired immediately prior to the effective date. The same benefit would accrue to a survivor of an employee who died after the effective date. This law also eliminated the anomaly of a cost-of-living increase being denied to a long-term employee who became eligible for retirement within a few days after the effective date.

Apart from these benefits to employees and survivors, PL 93-136 carried important benefits for management. It eliminated the necessity for "batching" retirements immediately before an effective date and serves to reduce the disruption to the course of business that agencies experienced when large numbers of ~~well-qualified~~ experienced employees retired at the same time.

The same considerations that were involved in enacting PL 93-136 for the Civil Service System are present in the CIA System. Thirteen (13) of our employees vested in our System retired between 1 July and 31 October, some of them within a few weeks after the last cost-of-living increase. During the same period, six (6) employees died in service; at the present time their survivors may not benefit from the latest increase.

We have found, also, that retirements under our System "peaked" at effective dates of increases, causing us to lose

persons who were important in on-going activities before we could adequately prepare for their replacement.

Such "peaking" or "batching" also put a severe strain on our administrative machinery for adjudicating creditable service, processing actual retirement and making annuity payments on time. As you know, we must, by law, administer completely within house the full range of retirement actions and benefits for the CIA System. In that respect, we are identical to the Bureau of Retirement at the Civil Service Commission. The two systems are different in absolute size, of course, but in a relative sense the problem is the same as regards our "population" and the manpower we have committed to it.

The avoidance of "batching" retirements can be more effectively controlled in our System, if the proposed legislation is enacted, possibly than in the Civil Service System. Most retirements under the CIA System are of a voluntary nature, but a voluntary retirement is possible only with the approval of the Director of Central Intelligence. Thus, if our employees can receive the benefits of a cost-of-living increase after an effective date, our own internal management or approval of voluntary retirements would, it seems to me, operate hand in glove with the new benefit. Management could space the (voluntary) retirements in order to moderate the number of retirements in any specific period and to ensure the phasing in of replacements for prospective retirees, yet the retiring

employee would be assured of the latest benefit.

If I may sum up, I believe that the principle of comparability strongly suggests that the one third of the CIA employees who are in the CIA System should be covered by this same benefit that applies to the other two thirds of our employees who are covered by Civil Service. In addition, Agency management and administration would be better able to phase retirements to suit the demands at the moment.

My remarks have been general, Mr. Chairman. My staff and I stand ready to answer any questions it may be your pleasure to ask. Thank you very much for permitting me these introductory remarks.

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Remarks: <p>[REDACTED] Here's a first cut at the Director's statement on the CIARDS amendment. I'm sure you will think it needs beefing up and we are prepared to provide additional information. Maybe we can get [REDACTED] together to pound out a better statement if you think this will help.</p> <p>[REDACTED]</p>			
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JOURNAL

OFFICE OF LEGISLATIVE COUNSEL

Tuesday - 6 November 1973

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1. [] Delivered to the offices of Senators William Saxbe (R., Ohio), J. W. Fulbright (D., Ark.), and Representative John A. Blatnik (D., Minn.) [] in which their names were mentioned.

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2. [] Delivered to George Holliday, Congressional Research Service, Library of Congress, a compilation of Romanian agriculture export and export statistics in response to his request for assistance in answering a member's request. Holliday said the material was exactly what he needed.

25X1

3. [] Delivered a package containing proposed Agency legislation amending the CIARDS to provide for cost of living increments upon retirement to Frank Slatinshek, Chief Counsel, House Armed Services Committee, the Office of the Speaker of the House, the Office of the President pro tempore of the Senate and a copy to Mr. [] for Ed Braswell, Chief Counsel, Senate Armed Services Committee.

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4. [] Accompanied the Director, along with General Graham, [] Knocke, to a briefing before the Intelligence Subcommittee of the Senate Armed Services Committee to discuss recent developments in the Middle East. See Memorandum for the Record.

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5. [] Senator Stuart Symington, Acting Chairman, Senate Armed Services Committee, called to say he was anxious to obtain as soon as available a memorandum which he could use in dealing with the press inquiries regarding the [] memorandum to General Walters of 28 June 1972. I told him we would have it by 0900 tomorrow, 7 November.

25X1

6. [] After consulting with Mr. Walsh, ADDI, I advised Jack Perry, of the Council on Environmental Quality, that since Senator Stevens (R., Alaska) has already been advised of the existence of our intelligence memorandum on Oil and Gas Development in Siberia, he might as well go ahead and make the memorandum available to the Senator and retrieve it from him as soon as it was feasible to do so. I told him he could also suggest to Stevens that if he was interested, we would be glad to have several of our people meet with him to brief him further on this subject. Perry said he would proceed along the same lines.

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Fran

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7. [] Received a call from Fran Christy, Staff Assistant, House Judiciary Committee, who asked for a copy of the Agency Guide to CIA Statutes and Law, published by the Office of the General Counsel, for Garner Cline, Counsel. I told [] I would get a copy to her tomorrow for Cline. 25X1B

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8. [] Talked to Edna Johnson, Executive Secretary, House Armed Services Committee, who told me that plans were underway for a number of members to travel to the Middle East later in the month, but as yet there has been no designation of the members that will be traveling. 25X1

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10. [] Returned a telephone call to Samuel Field, in the office of Representative William Lehman (D., Fla.), to the night security officer requesting among other items dollar cost of countering the effects of SAM-6 missiles in various countries of the world. I referred the Congressman's office to the Department of Defense for such information.

25X1

11. [] Returned the call of Cedric Kroll, Actuary, U.S. Treasury Department, and responded to a number of questions he had concerning the proposed amendments to CIARDS, including retirement financing. Kroll appeared to be completely satisfied with our technical explanation of the amendments and it was agreed that we would speak again tomorrow to wind up the review.

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12. [] Received a call from [] Secretary-Administrative Assistant at the White House, who requested an employment interview. After making the arrangements with [] Office of Personnel, I advised [] that an interview was scheduled for Monday, 12 November at 9:15 A.M. 25X1A 25X1A

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Frank

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13. [] Mr. Friedersdorf, White House Liaison for House Congressional Relations, called to say he would like me to urge Representative Minshall to help out with the Administration's war powers bill. I said that we were reluctant to get involved in policy matters of this kind, but since Minshall was a good personal friend I might mention it informally.

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14. [] Following the Director's briefing of the Subcommittee on Central Intelligence, Senate Armed Services Committee, today Senator Dominick told me that he is planing to take a trip to Panama before long and would like to get a briefing from us on the situation there before he goes. He said his schedule is quite full at the moment and it was agreed that when he wants to have the briefing he will give me a call and we will make the arrangements at that time.

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15. [] In response to Senator Birch Bayh's request for a briefing on the SA-6, I called his appointment secretary, Jane Merkin. Senator Bayh was tied up in Judiciary Committee hearings so I asked her to convey to him the message that, as I had indicated to him yesterday, we have had very little information on the SA-6 until recently and in fact we are now pulling that information together and would appreciate it if we can delay our briefing of him on this subject for about a week. I told her we would get in touch with the Senator at that time unless he wants to talk with me further about it before then.

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16. [] Left with Ed Braswell, Senate Armed Services Committee staff, a copy of the Director's letter transmitting a request for cost-of-living increase legislation for CIARDS. I will talk with him further about this in the next day or two.

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JOHN M. MAURY
Legislative Counsel

cc:

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Ex. Sec.

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Mr. Thuerner

DDI

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Item 12 - Pers.

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